

TOM LANTOS, will eliminate this irreconcilable conflict of interest that fuels the engine of an ever-expanding tax shelter industry.

Ongoing Senate hearings and the General Accounting Office investigations reveal that tax revenue lost from known shelters totaled \$33 billion over the past decade, and that losses from undetected shelters could total another \$52 billion. Last year, for example, an abusive tax shelter known as "Slapshot" was expected to produce tax breaks exceeding \$120 million for Enron. It was based on a \$1 billion loan and concealed by a highly intricate combination of loans and stock transactions occurring within minutes of each other that were designed to prevent tax regulators and authorities from discovering what really happened.

As William McDonough, Chairman of the Public Company Accounting Oversight Board recently said, major accounting firms have suffered a "complete ethical collapse." Chairman McDonough added during recent testimony before Congress that the willingness to sell faulty tax shelters and hide them from the IRS is "immensely and immorally repugnant." Moreover, David Clay Johnston of the New York Times and author of *Perfectly Legal*, reports that tax avoidance among corporations and upper-income individuals is far outrunning the audit capacity of the IRS. He estimates that a \$113 billion gap exists between what corporations should be paying and what they actually pay. Clearly, the burden of this gap in tax receipts is being shouldered by middle-class families.

In response to this costly and unethical practice, our legislation prohibits auditors from providing those tax shelter services for which a significant purpose is the avoidance or evasion of federal income tax to the publicly traded corporations they audit. The bill also prohibits auditors from offering tax shelter services to the corporation's officers and directors. Additionally, guiding principles under this bill will clarify how audit committees decide whether the corporation's auditor may provide certain non-audit services to the corporation. If the audit committee finds that a proposed service would reasonably result in an impairment of the auditor's independence by violating one of these principles, the audit committee would be unable to approve the proposed service.

Under our legislation, auditors would still be able to market tax reduction strategies to other companies and individuals, but not to the companies that they are responsible for auditing. This is a common sense approach to protecting our investors and American middle-class families from the increasing cost and the expanding prevalence of tax shelters, which should be exposed for what they really are—unfair and unpatriotic corporate behavior, and which should be stopped once and for all.

COMMENDING LAFARGE
CONSTRUCTION MATERIALS

SPEECH OF

HON. BOB BEAUPREZ

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 21, 2003

Mr. BEAUPREZ. Mr. Speaker, I would like to take this opportunity to commend Lafarge Construction Materials on their exceptional contribution as a corporate member of the Golden community.

Lafarge West operates the Specification Aggregates Quarry on Colfax Avenue in Golden, Colorado. I am proud to serve Golden as their Congressman, especially after watching this tremendous effort put forth by all parties involved to create a win-win situation for Lafarge, the city of Golden, concerned environmental groups and, of course, the citizens of Jefferson County.

In fact, I recently received a letter from the mayor of Golden, Charles Baroch where he said, "Lafarge has for many years been a good neighbor, being very concerned about the impact of the mine and crushing plant on the neighborhood. Lafarge listens to citizens concerns and takes action to correct the problem. Most everyone in Golden is proud to have this business a part of Golden."

The partnership began when Lafarge realized it's basic need to increase the reserves of the quarry to serve the growing Denver market. A market, I hope, that will be even stronger soon with the passage of a new transportation re-authorization bill.

So, in the spirit of cooperation, Lafarge began a 2-year process of meeting with local citizens, businesses, community leaders and environmental groups to learn what concerns may be out there regarding a quarry expansion. In the end, after many presentations, many meetings and many late nights, they did find that win-win solution. Scott Gudahl put it simply when he said, "We kept addressing expectations and concerns until there were none left—and that's what you basically have in the final proposal."

That final proposal was an innovative land swap. The quarry will be able to expand by 60 acres and Jefferson County will receive more than 500 acres of added scenic open space. Even the quarry itself, once reclaimed, will be donated as additional open space for the enjoyment of Jefferson County citizens.

Mr. Speaker, you know as well as I that all too often, good honest businesses are painted with unfair labels by those who do not understand the process of making the roads and highways that keep our economy moving. I applaud the people at Lafarge for putting forth the extra effort not only to create a better company, but also create a better community. I am proud of their efforts and I am proud to represent their employees in this Congress.

IN RECOGNITION OF THE 125TH ANNIVERSARY OF THE CITY OF HURTSBORO, ALABAMA

HON. MIKE ROGERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 21, 2003

Mr. ROGERS of Alabama. Mr. Speaker, I rise today to pay tribute to the City of Hurtsboro, Alabama, on its 125th anniversary of its incorporation on December 4, 2003.

Hurtsboro, Alabama, located in Russell County, Alabama, was originally station Number 4 on the Mobile and Girard Railroad. In 1857, Joel Hurt, Sr. came to the site of Hurtsboro and with a partner, William Marshall, bought land and established a sawmill by a creek now called Hurtsboro Creek. Mr. Hurt had moved from Eatonton, Georgia, to Olivet, Alabama, a thriving farm community about 3 miles from Hurtsboro. However, when Olivet was bypassed in the survey to the Mobile and Girard Railroad, Mr. Hurt moved to

the railroad site. In 1858, when the railroad reached the place, the mill company laid out off the town, with the mill in the center. It was called Hurtsville for the principal founder.

On November 5, 1878, a petition was filed with the Russell County Judge of Probate Simeon O'Neal by more than 20 of the male inhabitants of the town laying out the boundaries of the town and the name to be given if incorporated and requesting that an election be held for incorporation. Judge O'Neal then set the election for December 3, 1878, and on that day, no votes were cast against incorporation. Therefore, on December 4, 1878, Judge O'Neal made entry in the record that inhabitants of the town of Hurtsville were incorporated under the name of "Hurtsville" with such boundaries to extend one half mile in every direction from the present public copping at the depot of the Mobile and Girard Railroad. On March 24, 1883, a petition was filed by more than 10 of the male inhabitants of Hurtsville that the name of the town be changed to Hurtsboro (to avoid confusion with the town of Huntsville, Alabama). An election was held on April 11, 1883, and based on the results, Russell County Judge of Probate Simeon O'Neal entered into the record that the town's name be changed to "Hurtsboro."

I congratulate Hurtsboro, Alabama, on its 125th anniversary of incorporation and join its residents in recognizing their proud history.

COMMENDING PENNINGTON
ELEMENTARY IN WHEAT RIDGE

HON. BOB BEAUPREZ

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 21, 2003

Mr. BEAUPREZ. Mr. Speaker, I rise today to add to the RECORD a story of true leadership and determination occurring in the very place that it should, our school system.

I recently had the honor of visiting Pennington Elementary, a small school located back home in my great Colorado district. Not only was I impressed by the moral this house of education puts forth to its visitors, I was amazed at the progress I learned of that these young minds are making and the dedication of their instructors and administrators.

Four years ago Pennington Elementary was considered to be the school to which no one wanted to send their children. The children in the community were known to be impolite and irresponsible. Now if you ask neighbors of this accomplished school about the little ones' demeanor in and out of the school setting, they will tell you the children are intelligent, delightful and always polite and courteous to those around them.

This school of only 248 students has risen to the top of the pile and now begins their day with a "Pennington Pledge" as a daily reminder of what they stand for; a good motto for any upcoming citizen. It reads:

We the students of Pennington agree to have a drug free school, a safe and orderly learning environment, to be big brothers and big sisters to any little student. As a responsible citizen I will follow the rules of Pennington.

Because the school has changed the outlook of the staff, community and parents, success is a regularly heard word within the walls